

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2613 – SB 2809

April 17, 2012

SUMMARY OF AMENDMENT (015257): Deletes all language after the enacting clause. Requires the State Board of Education (SBE), Department of Education (DOE), Tennessee Higher Education Commission (THEC), the University of Tennessee's Board of Trustees (UT), and the Tennessee Board of Regents (TBR) to create a consortium for cooperative innovative education to advise and assist the Office of Postsecondary Coordination and Alignment (OPCA) in its duty to oversee cooperative innovative high school programs. Requires the consortium to encourage the Tennessee Chamber of Commerce and Industry, Tennessee Business Roundtable, and the Tennessee Independent College and Universities Association to participate in the consortium. The Executive Director of the SBE and the Executive Director of THEC shall be consortium co-chairs. Authorizes the consortium to establish and appoint committees and subcommittees to perform its tasks.

Authorizes one or more local education agencies (LEAs) in cooperation with one or more public postsecondary programs to apply to establish a cooperative innovative high school program. The OPCA shall provide guidance and assistance to such plans upon request. Applications for these programs shall be sent to the OPCA. No application shall be approved unless the OPCA finds that the application meets the requirements set forth in Tenn. Code Ann. Title 49, Chapter 15. Requires that funds appropriated prior to the effective date of this act (July 1, 2012) shall be transferred to the OPCA from the SBE.

Authorizes a public charter school to participate in the development of a cooperative innovative program. Authorizes a community college to participate in the development of a cooperative innovative program that is targeted to high school students in need of remediation upon their enrollment in a higher education institution. Requires a student to be admitted to any public higher education institution without further remediation if the student is successfully remediated by the community college and receives a certificate of successful participation.

Requires all approved cooperative innovative programs to adhere to the terms and conditions set forth by the OPCA. Authorizes cooperative innovative programs to apply to the Commissioner of Education for a waiver of any law or rule that will inhibit the program's ability to meet its goal. Currently, programs must apply to either the SBE or the governing board of the applicant public postsecondary institution. Prohibits the Commissioner of Education from waiving certain regulatory and statutory requirements.

Authorizes an education partner under Tenn. Code Ann. § 49-15-105(a) that is a public body to allocate state, local, and federal funds to a cooperative innovative high school program. If not an education partner under § 49-15-105(a), the county governing body in the county where the program is located may appropriate funds.

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Requires the OPCA to make an annual report to the Education Committees of the General Assembly on cooperative innovative high school programs. Requires the consortium to advise the OPCA on the development of a high school to community college and technology center articulation agreement. Authorizes the OPCA to undertake the curriculum alignment or appoint a committee to do so. The OPCA shall make an annual report on the state of the articulation agreement to the Education Committees of the General Assembly. Authorizes members of the consortium to be reimbursed for attendance at meetings.

If the OPCA approves a dual credit class that is accepted by a four-year TBR or UT institution, then upon approval by the SBE, any high school in Tennessee may replicate the class and dual credit for completion of the class. Requires credit to be granted at any public four-year institution of higher education that offers a major or program for which the class is designed. If the OPCA approves a dual credit class that is accepted by a two-year TBR community college, then upon approval by the SBE, any high school in Tennessee may replicate the class and dual credit. Requires credit to be given at any TBR community college offering a major or program for which the class is designed. Requires the OPCA to notify the consortium prior to the office approving a dual credit class. The consortium shall direct its UT and TBR representatives to consult with faculty members who teach at institutions in the major or program for which the class is designed for the purpose of determining whether approval of the dual credit course would have negative consequences on the accreditation of the institution. Sets forth other requirements for dual credit courses as it relates to assignment of a course number, recording completion of the class, and awarding of dual credit for a major or elective.

Authorizes any public higher education institution to request the OPCA to review a dual credit or replicated class if the institution perceives the class to have deficiencies.

Requires a dual credit course developed by a public community college or university in collaboration with a high school for an associate degree to be accepted as a credit at all other public institutions of higher education. Requires a dual credit course that is developed by a community college in collaboration with a high school to satisfy the requirements of a certificate program, then all other community colleges with like certificate programs shall accept the class as a credit. Requires a dual credit course developed by a Tennessee Technology Center in collaboration with a high school to be accepted as a credit at all other Tennessee Technology Centers.

FISCAL IMPACT OF ORIGINAL BILL:

(CORRECTED)

Increase State Expenditures - \$300,000/One-Time/FY12-13 and FY13-14
\$150,000/Recurring/FY12-13 and Subsequent Fiscal
Years

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$300,000/One-Time/FY12-13 and FY13-14
\$150,000/Recurring/FY12-13 and Subsequent
Fiscal Years**

Other Fiscal Impact – An amount of \$450,000 has been included in the proposed administration budget amendment with \$300,000 non-recurring in FY12-13 and \$150,000 recurring. Any unexpended funds appropriated prior the effective date of this act to fund the consortium shall be transferred by the SBE to the OPCA. According to the SBE and DOE, \$185,000 will be transferred on a one-time basis. The SBE will not require additional appropriations to make up for this transfer in funds.

Assumptions applied to amendment:

- According to TBR, there are 20 different subject areas for which dual credit courses are taught statewide. The standards for courses are not uniform across the state.
- A total of five meetings per subject area will be held with 10 subject areas being completed in FY12-13 and 10 in FY13-14 to common course standards and new articulation agreements between institutions for each subject area.
- TBR estimates 20 individuals will attend each meeting and that the average travel cost per person will be \$300 in per diem, hotel, and meeting materials. Each meeting will cost approximately \$6,000 (20 x \$300). Each subject area will cost \$30,000 (\$6,000 x 5 meetings per subject area).
- The increase in one-time state expenditures for subject area meetings in FY12-13 will be \$300,000 (\$30,000 x 10 subject areas).
- The increase in one-time state expenditures for subject area meetings in FY13-14 will be \$300,000 (\$30,000 x 10 subject areas).
- To earn dual credit, a student must currently take an exam for credit, much like an AP course in high school. Currently, institutions are keeping this information locally but not necessarily electronically.
- According to TBR, the actions envisioned by the bill are taking place in other states such as Ohio and Georgia. In Ohio, the state uses a statewide electronic tracking and monitoring system for scores and courses.
- TBR and DOE will institute a similar statewide tracking and monitoring system in Tennessee in order for institutions to grant credit for dual coursework at other institutions. One additional staff person will be needed by DOE to help implement this system and be the program coordinator in subsequent fiscal years.
- The state of Ohio has estimated a cost for personnel and computer maintenance to be between \$100,000 and \$200,000 per year.
- Based on the cost estimate from Ohio, TBR and DOE have estimated that the recurring increase in state expenditures for personnel and computer maintenance in Tennessee will be \$150,000 per year.

- Requiring acceptance of dual credit courses across public higher education institutions will not result in additional dual enrollment slots or students and will not result in a significant fiscal impact.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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